

In the Senate of the United States,

December 10 (legislative day, December 9), 2016.

Resolved, That the bill from the House of Representatives (H.R. 5602) entitled “An Act to amend title 31, United States Code, to authorize the Secretary of the Treasury to include all funds when issuing certain geographic targeting orders, and for other purposes.”, do pass with the following

AMENDMENT:

Strike all after the enacting clause and insert the following:

1 ***TITLE*** ***I—ENHANCING***
2 ***ANTITERRORISM TOOLS OF***
3 ***THE DEPARTMENT OF THE***
4 ***TREASURY***

5 ***SEC. 101. INCLUSION OF ALL FUNDS.***

6 *(a) IN GENERAL.—Section 5326 of title 31, United*
7 *States Code, is amended—*

8 *(1) in the heading of such section, by striking*
9 *“coin and currency”;*

1 (2) *in subsection (a)—*

2 (A) *by striking “subtitle and” and inserting*
3 *“subtitle or to”; and*

4 (B) *in paragraph (1)(A), by striking*
5 *“United States coins or currency (or such other*
6 *monetary instruments as the Secretary may de-*
7 *scribe in such order)” and inserting “funds (as*
8 *the Secretary may describe in such order),”;* and

9 (3) *in subsection (b)—*

10 (A) *in paragraph (1)(A), by striking “coins*
11 *or currency (or monetary instruments)” and in-*
12 *serting “funds”;* and

13 (B) *in paragraph (2), by striking “coins or*
14 *currency (or such other monetary instruments as*
15 *the Secretary may describe in the regulation or*
16 *order)” and inserting “funds (as the Secretary*
17 *may describe in the regulation or order)”.*

18 (b) *CLERICAL AMENDMENT.—The table of contents for*
19 *chapter 53 of title 31, United States Code, is amended in*
20 *the item relating to section 5326 by striking “coin and cur-*
21 *rency”.*

22 **SEC. 102. IMPROVING ANTITERROR FINANCE MONITORING**
23 **OF FUNDS TRANSFERS.**

24 (a) *STUDY.—*

1 (1) *IN GENERAL.*—*To improve the ability of the*
2 *Department of the Treasury to better track cross-bor-*
3 *der fund transfers and identify potential financing of*
4 *terrorist or other forms of illicit finance, the Sec-*
5 *retary shall carry out a study to assess—*

6 (A) *the potential efficacy of requiring bank-*
7 *ing regulators to establish a pilot program to*
8 *provide technical assistance to depository insti-*
9 *tutions and credit unions that wish to provide*
10 *account services to money services businesses*
11 *servicing individuals in Somalia;*

12 (B) *whether such a pilot program could be*
13 *a model for improving the ability of United*
14 *States persons to make legitimate funds transfers*
15 *through transparent and easily monitored chan-*
16 *nels while preserving strict compliance with the*
17 *Bank Secrecy Act (Public Law 91–508; 84 Stat.*
18 *1114) and related controls aimed at stopping*
19 *money laundering and the financing of ter-*
20 *rorism; and*

21 (C) *consistent with current legal require-*
22 *ments regarding confidential supervisory infor-*
23 *mation, the potential impact of allowing money*
24 *services businesses to share certain State exam-*
25 *ination information with depository institutions*

1 *and credit unions, or whether another appro-*
2 *prate mechanism could be identified to allow a*
3 *similar exchange of information to give the de-*
4 *pository institutions and credit unions a better*
5 *understanding of whether an individual money*
6 *services business is adequately meeting its anti-*
7 *money laundering and counter-terror financing*
8 *obligations to combat money laundering, the fi-*
9 *nancing of terror, or related illicit finance.*

10 (2) *PUBLIC INPUT.*—*The Secretary should solicit*
11 *and consider public input as appropriate in devel-*
12 *oping this study.*

13 (b) *REPORT.*—*Not later than 270 days after the date*
14 *of the enactment of this Act, the Secretary shall submit to*
15 *the Committee on Financial Services and the Committee*
16 *on Foreign Affairs of the House of Representatives and the*
17 *Committee on Banking, Housing, and Urban Affairs and*
18 *the Committee on Foreign Relations of the Senate a report*
19 *that contains all findings and determinations made in car-*
20 *rying out the study required under subsection (a).*

21 **SEC. 103. SENSE OF CONGRESS ON INTERNATIONAL CO-**
22 **OPERATION REGARDING TERRORIST FINANC-**
23 **ING INTELLIGENCE.**

24 *It is the sense of the Congress that the Secretary, acting*
25 *through the Under Secretary for Terrorism and Financial*

1 *Crimes, should intensify work with foreign partners to help*
2 *the foreign partners develop intelligence analytic capacities,*
3 *in a finance ministry or other appropriate agency, that*
4 *are—*

5 (1) *commensurate to the threats faced by the for-*
6 *ign partner; and*

7 (2) *designed to better integrate intelligence efforts*
8 *with the anti-money laundering and counter-terrorist*
9 *financing regimes of the foreign partner.*

10 **SEC. 104. EXAMINING THE COUNTER-TERROR FINANCING**

11 **ROLE OF THE DEPARTMENT OF THE TREAS-**
12 **URY IN EMBASSIES.**

13 *Not later than 180 days after the enactment of this*
14 *Act, the Secretary shall submit to the Committee on Finan-*
15 *cial Services and the Committee on Foreign Affairs of the*
16 *House of Representatives and the Committee on Banking,*
17 *Housing, and Urban Affairs and the Committee on Foreign*
18 *Relations of the Senate a report that contains—*

19 (1) *a list of the United States embassies in which*
20 *a full-time Department of the Treasury financial*
21 *attaché is stationed and a description of how the in-*
22 *terests of the Department of the Treasury relating to*
23 *terrorist financing and money laundering are ad-*
24 *dressed (via regional attachés or otherwise) at US em-*
25 *bassies where no such attachés are present;*

1 (2) *a list of the United States embassies at which*
2 *the Department of the Treasury has assigned a tech-*
3 *nical assistance advisor from the Office of Technical*
4 *Assistance of the Department of the Treasury;*

5 (3) *an overview of how Department of the Treas-*
6 *ury financial attachés and technical assistance advi-*
7 *sors assist in efforts to counter illicit finance, to in-*
8 *clude money laundering, terrorist financing, and pro-*
9 *liferation financing; and*

10 (4) *an overview of patterns, trends, or other*
11 *issues identified by Department of the Treasury*
12 *attachés and whether resources are sufficient to ad-*
13 *dress these issues.*

14 **TITLE II—NATIONAL STRATEGY**
15 **FOR COMBATING TERRORIST**
16 **AND OTHER ILLICIT FINANC-**
17 **ING**

18 **SEC. 201. DEVELOPMENT OF NATIONAL STRATEGY.**

19 (a) *IN GENERAL.*—*The President, acting through the*
20 *Secretary shall, in consultation with the Attorney General,*
21 *the Secretary of State, the Secretary of Homeland Security,*
22 *the Director of National Intelligence, and the appropriate*
23 *Federal banking agencies, develop a national strategy for*
24 *combating the financing of terrorism and related forms of*
25 *illicit finance.*

1 **(b) TRANSMITTAL TO CONGRESS.**—

2 **(1) IN GENERAL.**—*Not later than January 31,*
3 *2018, the President shall submit to the appropriate*
4 *congressional committees a comprehensive national*
5 *strategy developed in accordance with subsection (a).*

6 **(2) UPDATES.**—*Not later than January 31,*
7 *2020, and January 31, 2022, the President shall sub-*
8 *mit to the appropriate congressional committees up-*
9 *dated versions of the national strategy submitted*
10 *under paragraph (1).*

11 **(c) SEPARATE PRESENTATION OF CLASSIFIED MATE-**
12 **RIAL.**—*Any part of the national strategy that involves in-*
13 *formation that is properly classified under criteria estab-*
14 *lished by the President shall be submitted to the Congress*
15 *separately in a classified annex and, if requested by the*
16 *chairman or ranking Member of one of the appropriate con-*
17 *gressional committees, as a briefing at an appropriate level*
18 *of security.*

19 **SEC. 202. CONTENTS.**

20 **(a) IN GENERAL.**—*The strategy described in section*
21 *201 shall contain the following:*

22 **(1) EVALUATION OF EXISTING EFFORTS.**—*An as-*
23 *essment of the effectiveness of and ways in which the*
24 *United States is currently addressing the highest lev-*
25 *els of risk of various forms of illicit finance, including*

1 *those identified in the documents entitled “2015 Na-*
2 *tional Money Laundering Risk Assessment” and*
3 *“2015 National Terrorist Financing Risk Assess-*
4 *ment”, published by the Department of the Treasury*
5 *and a description of how the strategy is integrated*
6 *into, and supports, the broader counter terrorism*
7 *strategy of the United States.*

8 (2) *GOALS, OBJECTIVES, AND PRIORITIES.—A*
9 *comprehensive, research-based, long-range, quantifi-*
10 *able discussion of goals, objectives, and priorities for*
11 *disrupting and preventing illicit finance activities*
12 *within and transiting the financial system of the*
13 *United States that outlines priorities to reduce the in-*
14 *cidence, dollar value, and effects of illicit finance.*

15 (3) *THREATS.—An identification of the most sig-*
16 *nificant illicit finance threats to the financial system*
17 *of the United States.*

18 (4) *REVIEWS AND PROPOSED CHANGES.—Re-*
19 *views of enforcement efforts, relevant regulations and*
20 *relevant provisions of law and, if appropriate, discus-*
21 *sions of proposed changes determined to be appro-*
22 *priate to ensure that the United States pursues co-*
23 *ordinated and effective efforts at all levels of govern-*
24 *ment, and with international partners of the United*
25 *States, in the fight against illicit finance.*

1 (5) *DETECTION AND PROSECUTION INITIA-*
2 *TIVES.—A description of efforts to improve detection*
3 *and prosecution of illicit finance, including efforts to*
4 *ensure that—*

5 (A) *subject to legal restrictions, all appro-*
6 *priate data collected by the Federal Government*
7 *that is relevant to the efforts described in this*
8 *section be available in a timely fashion to—*

9 (i) *all appropriate Federal depart-*
10 *ments and agencies; and*

11 (ii) *as appropriate and consistent with*
12 *section 314 of the International Money*
13 *Laundering Abatement and Financial Anti-*
14 *Terrorism Act of 2001 (31 U.S.C. 5311*
15 *note), to financial institutions to assist the*
16 *financial institutions in efforts to comply*
17 *with laws aimed at curbing illicit finance;*
18 *and*

19 (B) *appropriate efforts are undertaken to*
20 *ensure that Federal departments and agencies*
21 *charged with reducing and preventing illicit fi-*
22 *nance make thorough use of publicly available*
23 *data in furtherance of this effort.*

24 (6) *THE ROLE OF THE PRIVATE FINANCIAL SEC-*
25 *TOR IN PREVENTION OF ILLICIT FINANCE.—A discus-*

1 *sion of ways to enhance partnerships between the pri-*
2 *vate financial sector and Federal departments and*
3 *agencies with regard to the prevention and detection*
4 *of illicit finance, including—*

5 *(A) efforts to facilitate compliance with*
6 *laws aimed at stopping such illicit finance while*
7 *maintaining the effectiveness of such efforts; and*

8 *(B) providing guidance to strengthen inter-*
9 *nal controls and to adopt on an industry-wide*
10 *basis more effective policies.*

11 *(7) ENHANCEMENT OF INTERGOVERNMENTAL CO-*
12 *OPERATION.—A discussion of ways to combat illicit*
13 *finance by enhancing—*

14 *(A) cooperative efforts between and among*
15 *Federal, State, and local officials, including*
16 *State regulators, State and local prosecutors, and*
17 *other law enforcement officials;*

18 *(B) cooperative efforts with and between*
19 *governments of countries and with and between*
20 *multinational institutions, including the Finan-*
21 *cial Action Task Force, with expertise in fighting*
22 *illicit finance.*

23 *(8) TREND ANALYSIS OF EMERGING ILLICIT FI-*
24 *NANCE THREATS.—A discussion of and data regard-*
25 *ing trends in illicit finance, including evolving forms*

1 *of value transfer such as so-called cryptocurrencies,*
2 *other methods that are computer, telecommunications,*
3 *or Internet-based, cyber crime, or any other threats*
4 *that the Secretary may choose to identify.*

5 (9) *BUDGET PRIORITIES.*—*A multiyear budget*
6 *plan that identifies sufficient resources needed to suc-*
7 *cessfully execute the full range of missions called for*
8 *in this section.*

9 (10) *TECHNOLOGY ENHANCEMENTS.*—*An anal-*
10 *ysis of current and developing ways to leverage tech-*
11 *nology to improve the effectiveness of efforts to stop*
12 *the financing of terrorism and other forms of illicit*
13 *finance, including better integration of open-source*
14 *data.*

15 **TITLE III—DEFINITIONS**

16 **SEC. 301. DEFINITIONS.**

17 *In this Act—*

18 (1) *the term “appropriate congressional commit-*
19 *tees” means—*

20 (A) *the Committee on Financial Services,*
21 *the Committee on Foreign Affairs, the Committee*
22 *on Armed Services, the Committee on the Judici-*
23 *ary, Committee on Homeland Security, and the*
24 *Permanent Select Committee on Intelligence of*
25 *the House of Representatives; and*

1 (B) *the Committee on Banking, Housing,*
2 *and Urban Affairs, the Committee on Foreign*
3 *Relations, Committee on Armed Services, Com-*
4 *mittee on the Judiciary, Committee on Home-*
5 *land Security and Governmental Affairs, and the*
6 *Select Committee on Intelligence of the Senate;*

7 (2) *the term “appropriate Federal banking agen-*
8 *cies” has the meaning given the term in section 3 of*
9 *the Federal Deposit Insurance Act (12 U.S.C. 1813);*

10 (3) *the term “Bank Secrecy Act” means—*

11 (A) *section 21 of the Federal Deposit Insur-*
12 *ance Act (12 U.S.C. 1829b);*

13 (B) *chapter 2 of title I of Public Law 91–*
14 *508 (12 U.S.C. 1951 et seq.); and*

15 (C) *subchapter II of chapter 53 of title 31,*
16 *United States Code;*

17 (4) *the term “illicit finance” means the financ-*
18 *ing of terrorism, money laundering, or other forms of*
19 *illicit financing domestically or internationally, as*
20 *defined by the President;*

21 (5) *the term “money services business” has the*
22 *meaning given the term under section 1010.100 of*
23 *title 31, Code of Federal Regulations;*

24 (6) *the term “Secretary” means the Secretary of*
25 *the Treasury; and*

1 (7) *the term “State” means each of the several*
2 *States, the District of Columbia, and each territory or*
3 *possession of the United States.*

Attest:

Secretary.

114TH CONGRESS
2^D SESSION

H.R. 5602

AMENDMENT